AMENDMENT TO THE CLAIMS

This listing of claims will replace all prior versions, and listing, of claims in the application.

1. (previously presented) A method of evaluating an application for a financial product, the method comprising:

receiving application data;

calculating, based at least in part on said application data, expected loss data;

calculating, based at least in part on said expected loss data, a return on investment (ROI) for said application; and

making an application approval decision based on said ROI calculated for said application, said decision based at least in part on comparing said return on investment with an expected ROI for said financial product.

2-3. (Cancelled)

4. (Original) The method of claim 1, wherein said application data includes at least one of a collateral identifier, credit related information, and payment information.

5. (Original) The method of claim 1, wherein said calculating expected loss data comprises:

executing an account level loss forecast model;

executing a termination event model; and

calculating expected loss data in response to the execution of the account level loss forecast model and the execution of the termination event model.

6. (Original) The method of claim 5, wherein said executing an account level loss forecast model further comprises:

calculating a future value for an item of collateral associated with said application.

7.   (previously presented) The method of claim 1, wherein said calculating expected loss data further comprises:

storing product tier data identifying a plurality of product tiers, each product tier established based at least in part on loss data associated with different product terms, each product tier identifying product terms;

executing a risk model to compute a credit risk associated with said application;

assigning said credit risk to a product tier based on said product tier data; and

generating probabilities of one or more of said termination events occurring before said expiration to form one or more termination scenarios.

8.   (Original) The method of claim 7, wherein said calculating a return on investment further comprises:

forecasting the severity of loss of said termination scenarios to form one or more loss scenarios;

calculating net income and annualized net investment for said loss scenarios;

determining expected net income and expected annualized net investment in response to said calculating; and

determining an expected return on investment based on a ratio comprising said expected net income and said expected annualized net investment.

9.   (Original) The method of claim 7, wherein said generating probabilities further comprises:

generating probabilities of said termination events occurring in relation to a plurality of said payment times.

10.   (Original) The method of claim 8, wherein said forecasting the severity of loss further comprises:

forecasting the severity of loss of said termination scenarios for at least a plurality of said payment times.

11.   (Original) The method of claim 7, wherein said financial product requires an item of collateral and wherein said forecasting comprises:

forecasting a current balance on book;

forecasting a market value of said collateral; and

calculating a difference between said current balance on book and said market value of said collateral.

12.   (Original) The method of claim 11, wherein said forecasting a market value is performed using at least one of: Winter's multiplicative time series estimation; or an exponential decay between a manufacturer suggested retail price of said collateral and a residual value of said collateral at the expiration.

13.   (Original) The method of claim 7, wherein said financial product is a lease.

14.   (Original) The method of claim 13, wherein said termination events comprise at least one of: repossession with delinquencies, early payoff, insurance loss, and repossession without delinquencies.

15-16. (Cancelled)

17.   (Original) A computer-readable medium bearing a computer program containing instruction steps such that upon installation of said computer program in a general purpose computer, the computer is capable of performing the method of claim 1.

18.   (Currently Amended) A method of evaluating an application for a desired type of financial product, said type including at least one of a lease type and a loan type, for which at least one product tier has been established, the method comprising:

receiving application data associated with said application for a desired type of financial product, said application data including data identifying an applicant and data identifying an item of collateral;

executing a credit risk model to compute a credit risk associated with said application, said credit risk computed based on said application data;

identifying, using said calculated credit risk of said application, a product tier, said product tier previously established by a lender based at least in part on loss data associated with said desired type of financial product, said product tier establishing terms of a selected product;

generating probabilities of one or more termination events occurring before an expiration of said selected product to form one or more termination scenarios;

forecasting the severity of loss of said termination scenarios;

calculating, based at least in part on said severity of loss of said termination scenarios, a return on investment (ROI) for said application and said selected product; and

approving said application if said calculated ROI is within an expected ROI threshold associated with said product tier.

19.   (previously presented) An apparatus for evaluating an application for a financial product, the apparatus comprising:

a processor;

a communication device, coupled to said processor, receiving application data from at least a first user device; and

a storage device in communication with said processor and storing instructions adapted to be executed by said processor to:

calculate, based at least in part on said application data, expected loss data;

calculate, based at least in part on said expected loss data, a return on investment (ROI) for said application; and

make an application approval decision based on said ROI calculated for said application.

20.   (Cancelled)

21.   (Currently Amended) A system for evaluating an application for a desired type of financial product for which at least one product tier has been established, said type including at least one of a lease type and a loan type, the system comprising:

at least a first user device having

a processor;

a communication device, coupled to said processor, configured to send and receive data over a network; and

a storage device in communication with said processor and storing instructions adapted to be executed by said processor to

receive application data associated with said application for a desired type of financial product, said application data including data identifying an applicant and data identifying a type of collateral; and

forward said application data to an at least first lender device said at least first lender device having

a second processor,

a second communication device, coupled to said second processor, configured to send and receive data over said network and to receive said application data; and

a second storage device in communication with said second processor and storing instructions adapted to be executed by said second processor to

execute a credit risk model to compute a credit risk associated with said application, said credit risk computed based on said application data;

identify, using said calculated credit risk of said application, a product tier previously established by a lender based at least in part on loss data associated with said desired type of financial product, said product tier establishing terms of a selected product;

generate probabilities of one or more termination events occurring before an expiration of said selected product to form one or more termination scenarios;

forecast the severity of loss of said termination scenarios;

calculate, based at least in part on said severity of loss of said termination scenarios, a return on investment (ROI) for said application and said selected product; and

approve said application if said calculated ROI is within an expected ROI threshold associated with said product tier.

22.   (previously presented) A computer program product in a computer readable medium for evaluating an application for a financial product, comprising:

first instructions for receiving application data;

second instructions for calculating, based at least in part on said application data, expected loss data;

third instructions for calculating, based at least in part on said expected loss data, a return on investment (ROI) for said application; and

fourth instructions for approving said application if said calculated ROI for said application is within an expected ROI range for said financial product.

23.   (previously presented) A system for evaluating an application for a financial product, the system comprising:

means for receiving application data;

means for calculating, based at least in part on said application data, expected loss data; ~~and~~

means for calculating, based at least in part on said expected loss data, a return on investment (ROI) for said application;

means for comparing said ROI for said application with an expected ROI for said financial product; and

means for making an application approval decision based on said return on investment.

24.   (Cancelled)

25.   (previously presented) A method of evaluating an application for a financial product, the method comprising:

receiving application data;

calculating, based at least in part on said application data, expected loss data;

calculating, based at least in part on said expected loss data, a return on investment for said application (ROI); and

making an application approval decision based on comparing said ROI calculated for said application with an expected ROI for said financial product.

26.   (cancelled)

27.   (original) An apparatus for evaluating an application for a financial product, the apparatus comprising:

    a processor;

    a communication device, coupled to said processor, receiving application data from at least a first user device; and

    a storage device in communication with said processor and storing instructions adapted to be executed by said processor to:

        calculate, based at least in part on said application data, expected loss data;

        calculate, based at least in part on said expected loss data, a return on investment for said application; and

        make an application approval decision based on said return on investment.